



**United States Department of Justice
United States Attorney's Office
District of Minnesota**

**B. Todd Jones,
United States Attorney**

**Jeanne F. Cooney
Director of Community Relations
(612) 664-5611
email: jeanne.cooney@usdoj.gov**

News Release

FOR IMMEDIATE RELEASE
Thursday, July 8, 2010
WWW.USDOJ.GOV/USAO/MN

Otsego woman pleads guilty to participating in \$400,000 mortgage fraud scheme

A 39-year-old woman from the central Minnesota city of Otsego pleaded guilty earlier today in federal court to participating in a mortgage fraud scheme that resulted in a \$400,000 loss to several mortgage loan lenders. Appearing in St. Paul before United States District Court Judge Richard H. Kyle, Sharon Michelle Thomas pleaded guilty to one count of aiding and abetting mail fraud. Thomas was charged on June 7, 2010.

In her plea agreement, Thomas admitted that from 2005 through 2006 she assisted others in obtaining money through fraudulent pretenses by depositing ten "closing packages" in the U.S. mail or with private commercial carriers. During this time, Thomas was a closing agent for a licensed title company, which was affiliated with a local builder and closed residential real estate transactions for the builder. Thomas provided documents to mortgage loan companies that were funding the mortgage loans for each residential transaction, after which the lenders would approve loans and provide loan proceeds to the title company. Thomas admitted concealing from the lenders payments she made to "investors" associated with Superior Investment Group ("SIG") on 10 Minnesota properties. Thomas admitted receiving only her customary salary and small bonuses for closing the transactions.

SIG was owned and operated by Troy David Chaika, age 43, of Burnsville, and Dustin Lee LaFavre, age 27, of Webster, Minnesota. The two men conspired to obtain money fraudulently through approximately 183 residential property transactions that defrauded real estate mortgage lenders out of more than \$7 million. LaFavre pleaded guilty to one count of conspiracy to commit mail and wire fraud and awaits sentencing. Chaika has been indicted on seven counts of wire fraud, three counts of mail fraud, one count of conspiracy to commit wire fraud and mail fraud.

For her crime, Thomas faces a potential maximum penalty of 20 years in prison. Judge Kyle will determine her sentence at a future date, yet to be scheduled. This case is the result of an

investigation by the Federal Bureau of Investigation and the U.S. Postal Inspection Service. It is being prosecuted by Assistant U.S. Attorney Tracy L. Perzel.